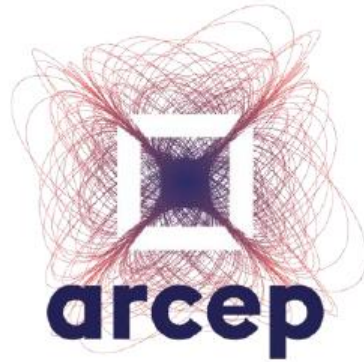


The background features abstract, overlapping green geometric shapes in various shades, including light green, medium green, and dark green, creating a modern and dynamic visual effect.

Sébastien Soriano

Chair of ARCEP and BEREC

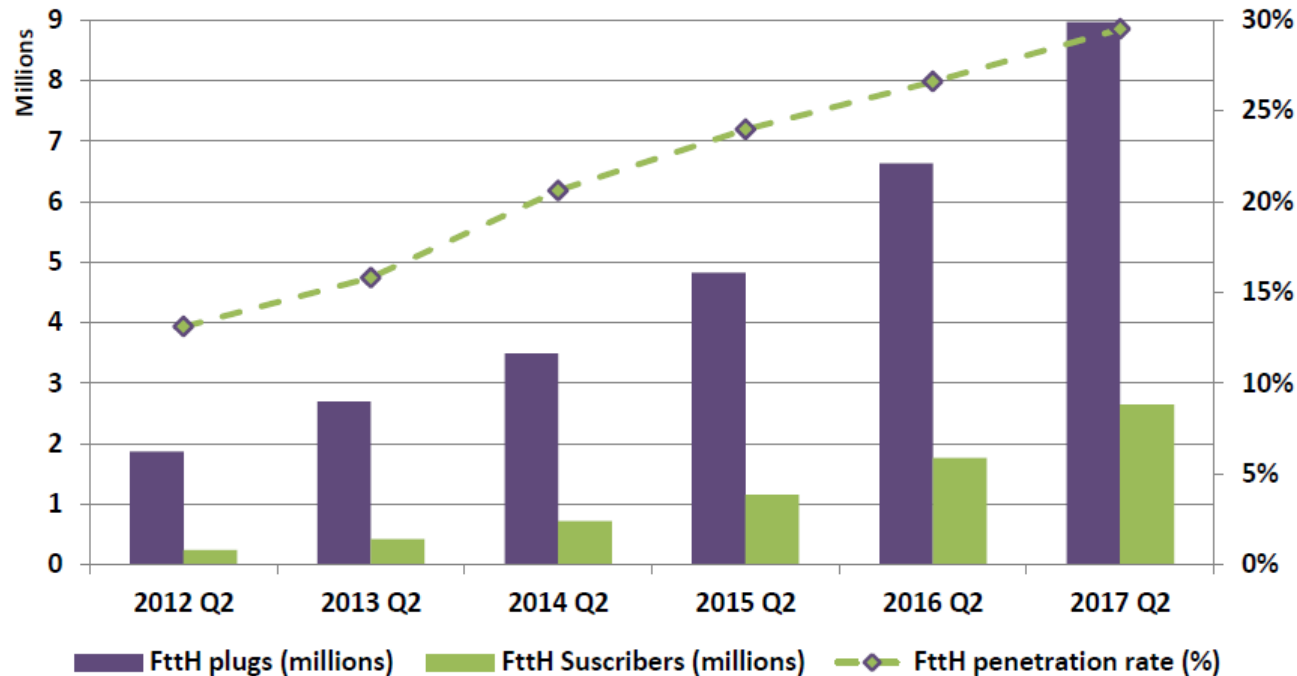


Broadband rollout in France

ComReg Conference 2017

Dublin, 24 October 2017

NGA technologies offer speeds above 100Mbit/s to a third of the French population, with FttH increasing rapidly



Market overview

1. Cable footprint is expected to remain below 30%
2. FttH rollout undergo rapid growth (+37% yoy) and 29% penetration

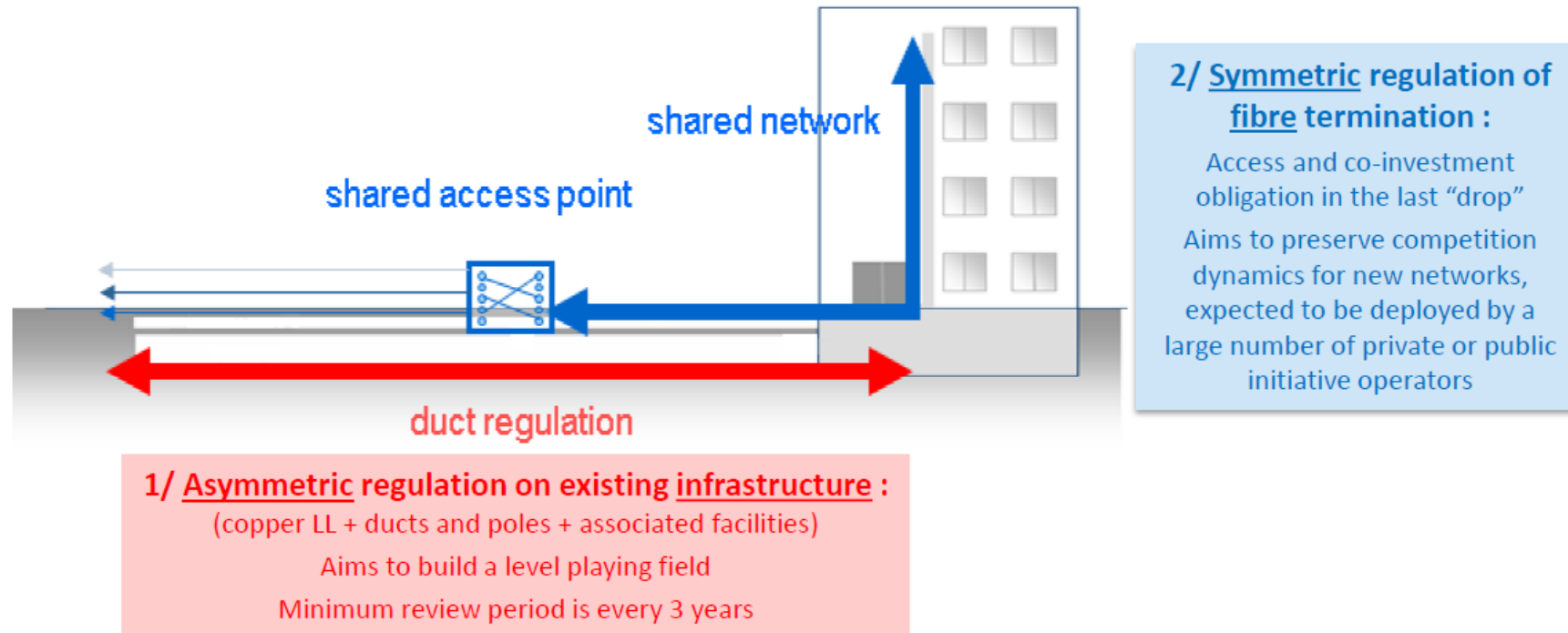
Competitive outlook

Strong presence of fixed alternative operators at the local level

Market consensus that only passive access allows for sustainable competition and innovation

ARCEP's FttH regulation consists of both asymmetric and symmetric obligations

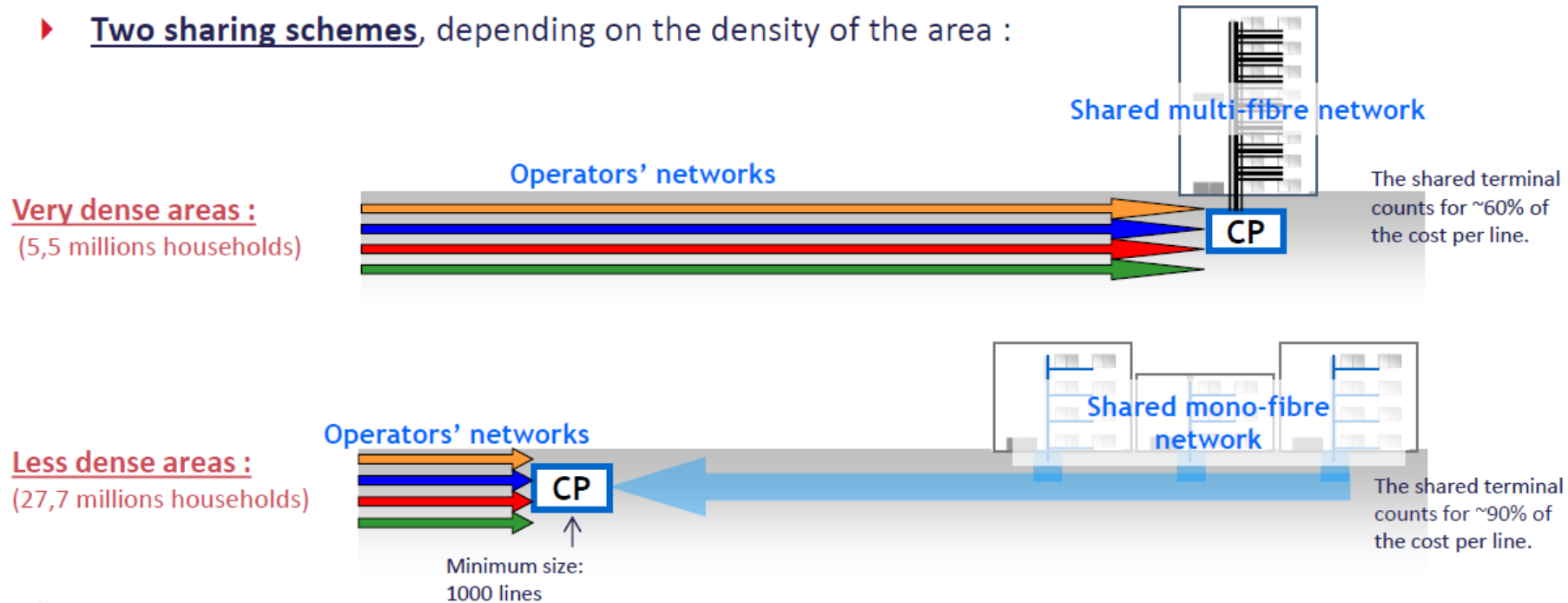
- ▶ ARCEP's regulation for NGA networks is based on two complementary pillars



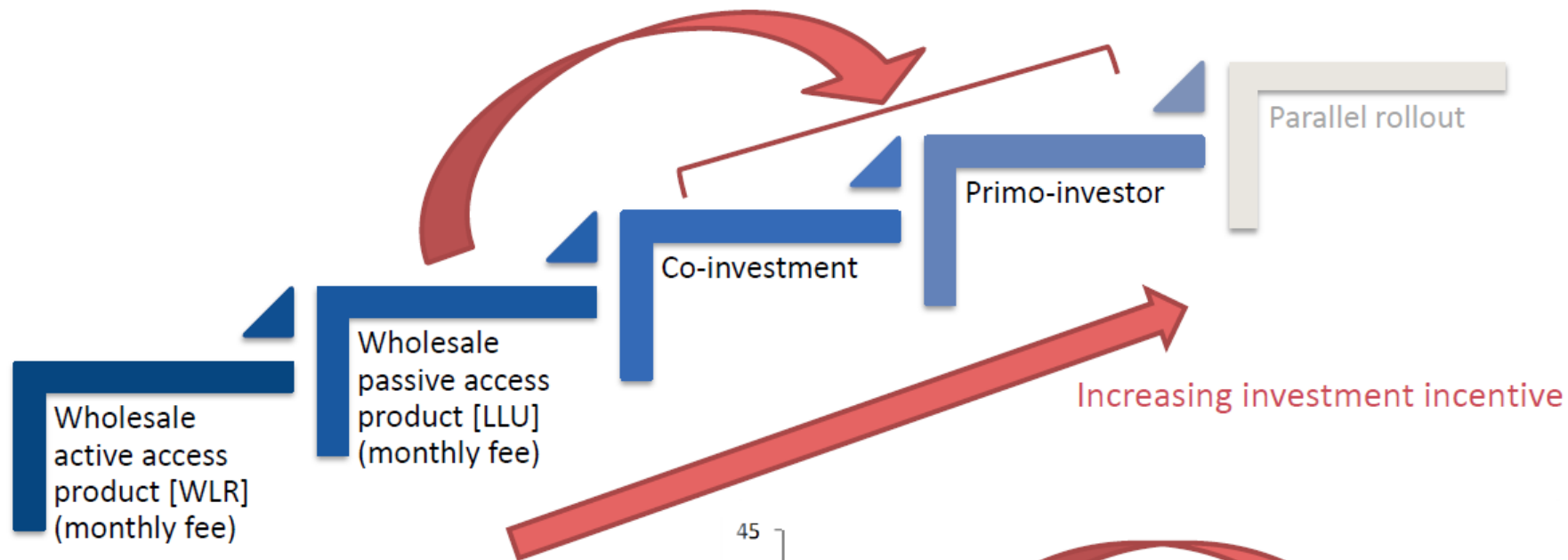
- ▶ France's market conditions required openness of NGA networks to be guaranteed:
 - by specifying conditions of network architectures ahead of rollout
 - so that deploying operators adopt **architectures compatible for long-term passive sharing**

Symmetric rules for fibre vary with area density to strike the balance between competition and costs

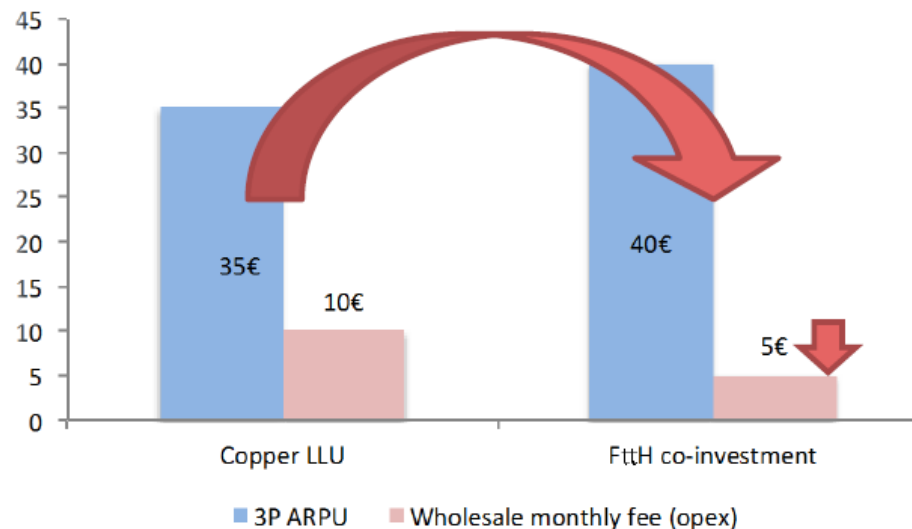
- ▶ **Set of obligations** imposed on the operator deploying the last segment of the network
 - Provision of **passive access** at a concentration point
 - Publication of an access offer including **co-investment & line rental** options
 - **Access prices** based on principles of non-discrimination, objectivity, relevance and efficiency
 - Structured exchanges of **technical information** with commercial operators
- ▶ **Flexible setting** fit for all fibre local loop operators: incumbent, alternative ISPs, local authorities
- ▶ **Two sharing schemes**, depending on the density of the area :



Co-investment model creates a new rung on the investment ladder



- More efficient than pure infrastructure duplication
- Decreases OPEX per line
- **Reduces regulatory exposure and increases predictability**
- **Reconciles regulation and investment**



Preliminary conclusions of the undergoing market analysis in France

- ▶ In France, the high-speed and very high-speed access products belong to a single nationwide market, with Orange designated as SMP on markets 3a, 3b and 4.
- ▶ Regarding legacy infrastructure (copper, civil works...), efforts to fine-tune the remedies to :
 - facilitate the roll out of FttH networks and;
 - in the meantime, preserve the general quality of service of LLU products
- ▶ Regarding FttH, symmetric regulation is considered sufficient but Orange took actions to improve competition focused on
 - on access in very dense areas and ;
 - nationwide enhancement to operational sharing process.
- ▶ But need for specific access remedies to remove competition deadlocks for business end-users, by ensuring a more competitive business wholesale market
 - Orange will also offer wholesale FttH+ (FttH with SLA) to meet SMBs' needs and substitute to LLU with SLAs.



FttH rollout in private initiative networks is expected to cover up to 54 % of households

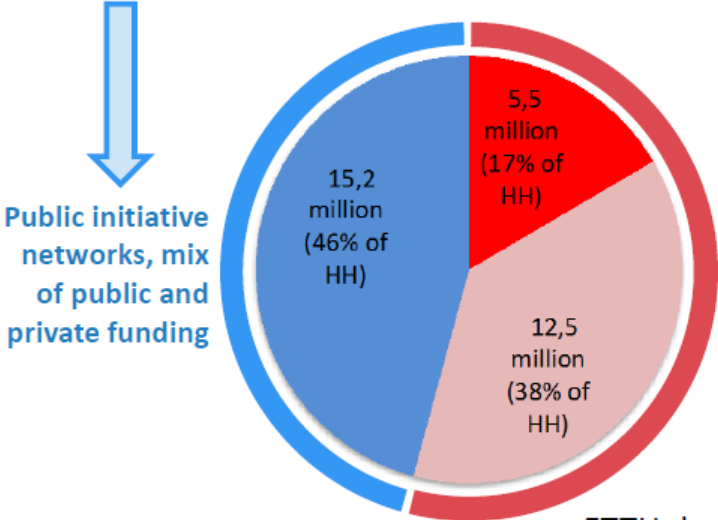
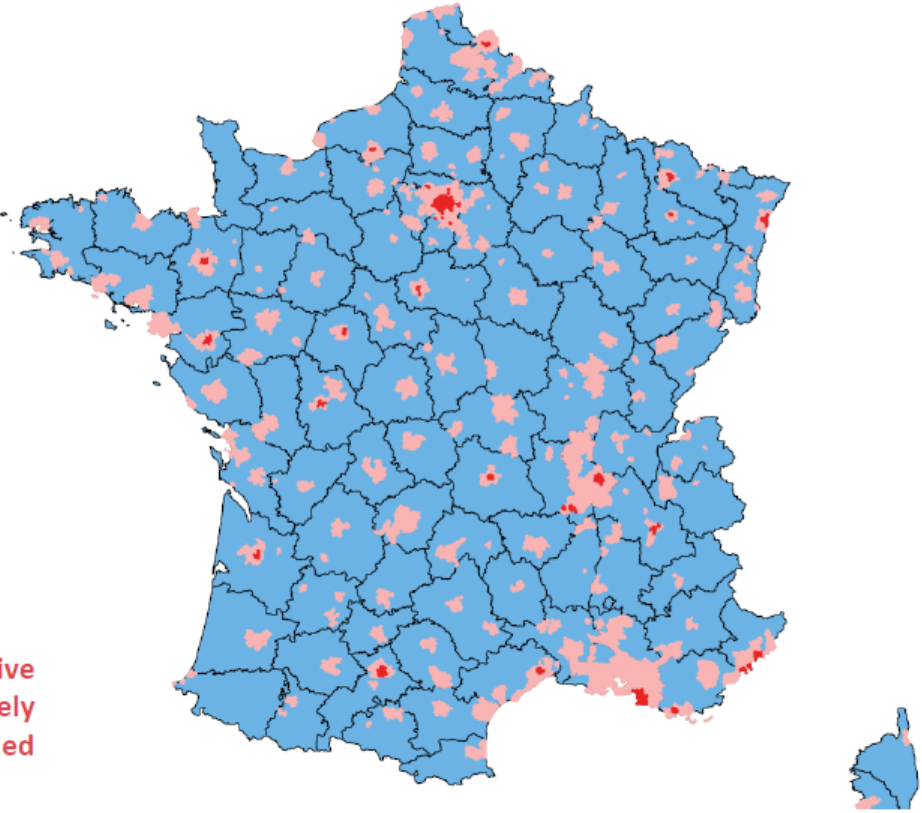
Public Initiative Networks (PINs) set to cover the rest of territory :

13-14 billion funds
(~50% public)



Public Initiative Networks (PINs) in France:
84 wholesale only operators (mostly PPP),
subject to the same symmetric regulation

Enables private operators to co-invest into PINs,
benefitting from financial and technical access
conditions similar to those of privately funded
networks



FTTH deployment by types of investment



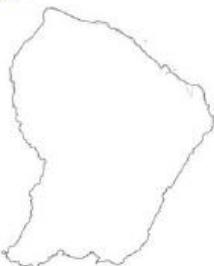
State of progress of public initiative networks in low-density areas

L'AGENCE DU
NUMÉRIQUE

Guadeloupe Martinique



Guyane



La Réunion

Mayotte



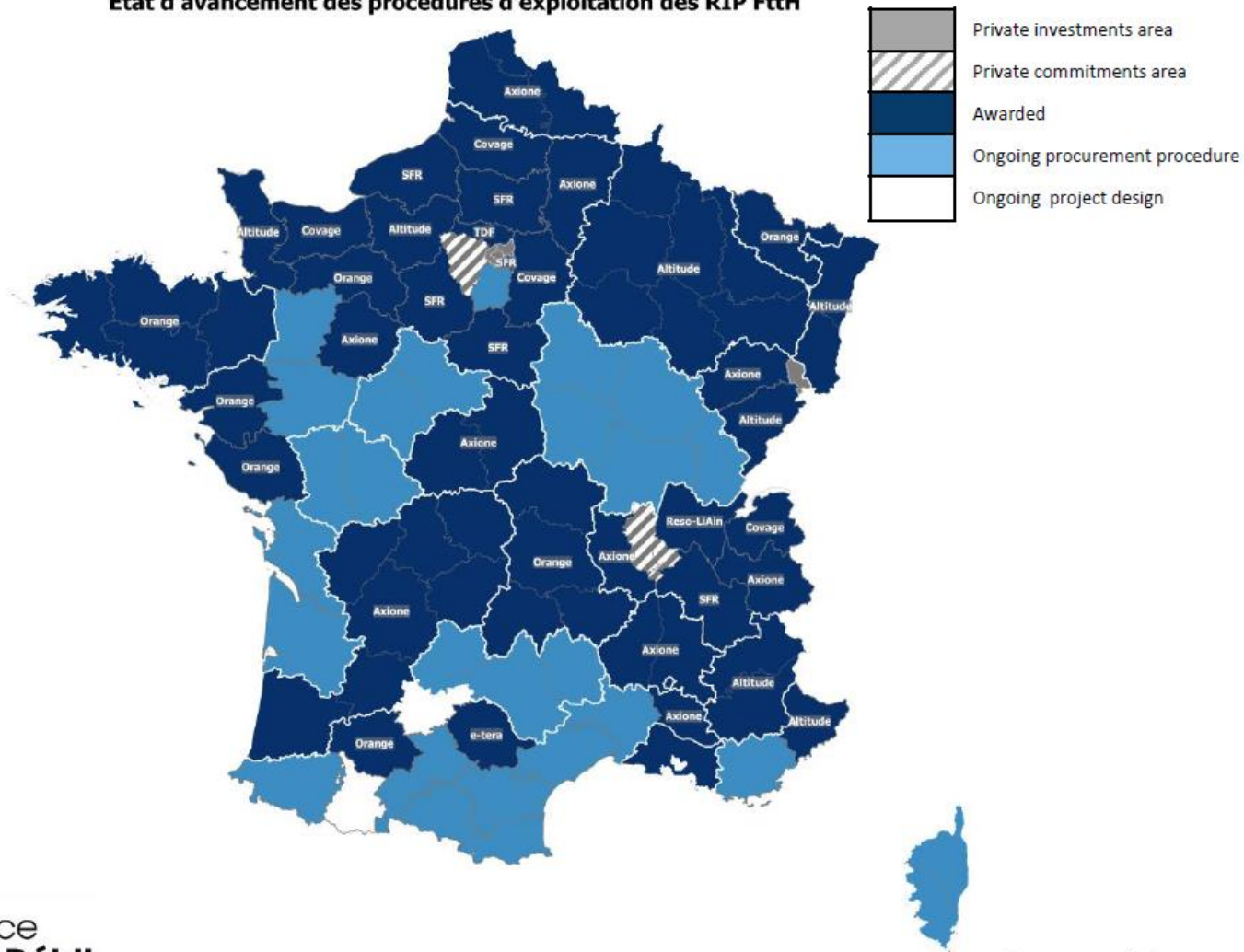
Saint-Pierre-et-Miquelon

Saint-Martin



Saint-Barthélemy

Etat d'avancement des procédures d'exploitation des RIP FttH

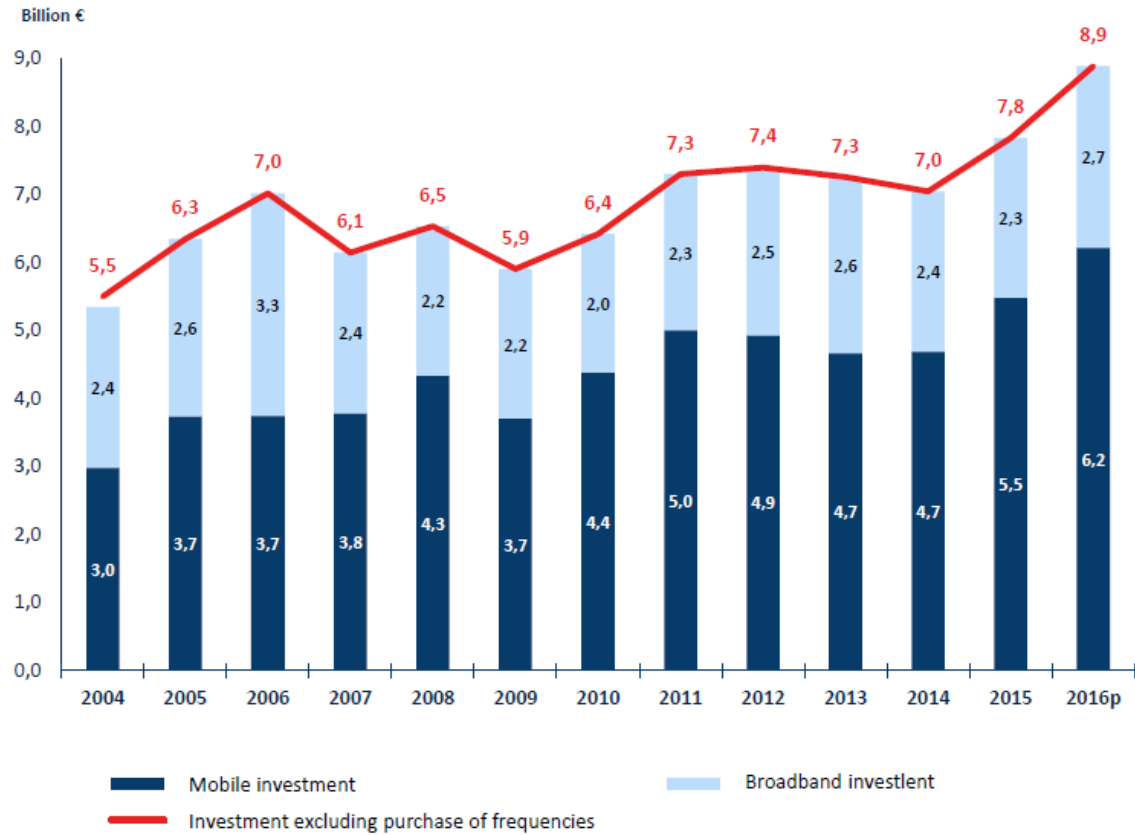


Government data

Carte réalisée par l'Agence du Numérique - Mission Très Haut Débit (octobre 2017)



Evolution of telecom investments in France



Framework review

A few words on BEREC's perspective

BEREC strongly supports the connectivity objective and the Gigabit society ambition

Deregulation is not the good way to promote investment.

- Connectivity goals require to mobilize investment from all types of stakeholders, and all types of investment models
- For instance, co-investment and wholesale only models are not to be opposed to regulation
- Symmetric and asymmetric remedies should be tailored to address diverse national situations.

Investors need predictability and consistency.

- It can be provided through BEREC guidelines, internal market procedures (phase II) and exchanges of good practices can provide market players with predictability and consistency.
- Important to identify and well circumscribe the ways NRAs may address non-competitive oligopolies in the few MS where they appear.

Review **Spectrum**

- **Any minimum license duration** would undermine efficient spectrum management, competition and innovation, but different means can be found to ensure greater predictability for license holders.
- **Soft harmonisation** (rather than rigid harmonisation) is the good approach to ensure more consistency through BEREC guidelines, workshop on spectrum allocation
- In order to promote such approach, it is crucial to give a **role to all NRAs on market shaping aspects.**

- **BEREC had raised strong concerns on NRAs competencies in a high level statement**
 - Support to initial EC proposal which recognised that technical expertise of NRAs is crucial to promote the internal market and DSM strategy
 - Independence of NRAs is key to ensure predictability to support investments and innovation
 - Need for a minimum common set of competences to ensure the consistent application of the framework and that the completion of internal market works
- **Legislative process on the framework review now enters in a new phase but BEREC stays available to the EU institutions for technical inputs**